Orange Water and Sewer Authority

Meeting of the Board of Directors

June 8, 2017

The Board of Directors of the Orange Water and Sewer Authority (OWASA) met in work session on Thursday, June 8, 2017, at 6:00 p.m. in OWASA's Community Room, 400 Jones Ferry Road, Carrboro.

Board Members present: John A. Young (Chair), Jeff Danner (Vice Chair), Barbara Foushee (Secretary), Yinka Ayankoya, Terri Buckner, David Moreau, Robert Morgan and Heather Payne. Board Member Absent: Ruchir Vora.

OWASA staff present: Mary Darr, Robert Epting (Esq., Epting and Hackney), Greg Feller, Stephanie Glasgow, Ed Kerwin, Simon Lobdell, Andrea Orbich, Ruth Rouse, Todd Taylor, Stephen Winters and Richard Wyatt.

Others present: Margaret Holton (Water, Sewer and Reclaimed Water Coordinator) and Ben Poulson (Associate Director of Energy Services) of the University of North Carolina at Chapel Hill; Angela Bryant and Thomas Briggs of VISIONS, Inc.; and Curtis Williams.

Motions

1. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Project. (Motion by Robert Morgan, second by David Moreau and unanimously approved.)

2. BE IT RESOLVED THAT the Board of Directors of the Orange Water and Sewer Authority adopts the resolution to Approve Minor Changes to Water and Sewer Management, Planning and Boundary Agreement. (Motion by Robert Morgan, second by David Moreau and unanimously approved.)

3. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2017. Resolution so titled attached hereto and made a part of these minutes. (Motion by Terri Buckner, second by David Moreau and unanimously approved.)

4. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2017 through June 30, 2018. (Motion by Terri Buckner, second by Barbara Foushee and unanimously approved.)

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2018-2022. (Motion by Terri Buckner, second by David Moreau and unanimously approved.)

6. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Capital Project Resolution for Fiscal Year 2018 Infrastructure Improvements. (Motion by Terri Buckner, second by David Moreau and unanimously approved.)

7. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors. (Motion by Robert Morgan, second by Heather Payne and unanimously approved.)

8. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors. (Motion by Heather Payne, second by Yinka Ayankoya and unanimously approved.)

9. Robert Morgan made a motion to cancel the Board's June 22, July 13 and July 27, 2017 Board Meetings; second by Jeff Danner and unanimously approved.

Announcements

John Young began the meeting by expressing gratitude to the Board, staff and community because this is his last meeting as Chair of the Board of Directors. He thanked the Board and the community for their support and guidance during his tenure as Chair.

Mr. Young then asked any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight to disclose the same at this time; none were disclosed.

Mr. Young noted that tonight's meeting will be broadcasted via Skype as a test, and that the Board is scheduled to discuss the results of this test at the October 12, 2017 work session.

Mr. Young announced that on June 6, 2017, the Orange County Board of County Commissioners appointed Mr. Ray DuBose to the OWASA Board of Directors. Mr. DuBose will take Terri Buckner's seat whose term ends June 30, 2017.

Mr. Young said that he received a request from Orange County Board of Commissioners regarding an OWASA delegate to the Chatham/Orange Joint Planning Task Force and he proposed that next Chair solicit the delegate for OWASA, subject to the Board's consent, and the Board agreed.

Robert Morgan said that the Human Resources (HR) Committee met on Tuesday, June 6, 2017, to discuss and evaluate information and options for employee merit pay for Fiscal Year 2018, as well as approaches that might advance employee compensation based on performance. The HR Committee requested additional data and plans to meet again before the end of June 2017, and will prepare a recommendation for the Board at a future meeting.

Todd Taylor provided an update on work to resolve taste and odor issues in the drinking water reported by customers since mid-May. Mr. Taylor reported that staff continues to modify water treatment processes and is flushing water from fire hydrants throughout the 380-mile pipe distribution system to remove the affected water still in the distribution system.

Item One: Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Replacement Project

Robert Morgan made a motion to approve the resolution; second by Dave Moreau and unanimously approved. Please see Motion No. 1 above.

Item Two: Approve Minor Changes to the Water and Sewer Management, Planning and Boundary Agreement

Robert Morgan made a motion to approve the resolution; second by Dave Moreau and unanimously approved. Please see Motion No. 2 above.

Item Three: Approval of the Schedule of Rates, Fees, and Charges; Annual Budget and Five-Year Capital Improvements Program (CIP)

The Board approved the budget for July 2017 through June 2018 (Fiscal Year 2018), rates to be effective in October 2017 and the 5-Year Capital Improvements Program (Fiscal Years 2018-2022).

Fiscal Year 2018 is the sixth consecutive year with no increase in OWASA's monthly rates for water, sewer and reclaimed water service. Key initiatives in the coming budget year include starting implementation of the Advanced Metering Infrastructure project, which will make it easier for OWASA and customers to identify potential leaks; and energy efficiency investments to reduce OWASA's use of conventional fuels and related greenhouse gas emissions.

Terri Buckner made a motion to approve the Resolution Adopting the Schedule of Rates, Fees and Charges Applicable to All Customers On and After October 1, 2017; second by David Moreau and unanimously approved. Please see Motion 3 above.

Terri Buckner made a motion to approve the Resolution Adopting the Annual Budget for Orange Water and Sewer Authority for the Fiscal Year July 1, 2017 through June 30, 2018; second by Barbara Foushee and unanimously approved. Please see Motion 4 above.

Terri Buckner made a motion to approve the Resolution Approving the Capital Improvements Program and Budget for Fiscal Years 2018-2022; second by David Moreau and unanimously approved. Please see Motion 5 above.

Terri Buckner made a motion to approve the Capital Project Resolution for Fiscal Year 2018 Infrastructure Improvements; second by David Moreau and unanimously approved. Please see Motion 6 above.

Item Four: Progress Report on the Initial Implementation Plan for OWASA's Diversity and Inclusion Program

Ed Kerwin introduced Angela Bryant and Thomas Briggs of VISIONS, Inc., OWASA's diversity and inclusion consultant, who provided a status report on OWASA's diversity and inclusion program. The presentation focused on: diversity goals and objectives; critical success factors; program components with VISIONS; key VISIONS tools; and the role of diversity and inclusion transformation in OWASA's organizational change.

The consultant's next step is to meet with the Leadership Team and a Diversity Resource Committee made up of employee volunteers. Training for employees is scheduled for later this fall. The next Diversity and Inclusion Progress Report is scheduled for the Board's September 14, 2017 Work Session.

Item Five: Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors

John Young read aloud the Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors.

Robert Morgan made a motion to approve the resolution; second by Heather Payne and unanimously approved. Please see Motion 7 above.

The Board and staff expressed deep appreciate to Ms. Buckner for her service on the Board of Directors for the last six years.

Ms. Buckner expressed her gratitude to the Board, staff, and the community, to be of service on a Board that is owned by the community.

Item Six: Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors

John Young read aloud the Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority Board of Directors.

Heather Payne made a motion to approve the resolution; second by Yinka Ayankoya and unanimously approved. Please see Motion 8 above.

The Board and staff expressed deep appreciate to Mr. Moreau for his service on the Board of Directors for the last three years.

Dave Moreau expressed his gratitude and respect to the Board, staff and General Counsel for their excellent quality of work.

Item Seven: Review Board Work Schedule

The Board agreed to schedule a discussion of Financial Reserves Policy on November 9, 2017. Staff is working to propose Board meeting date(s) to provide an update on risk assessment work for the water and wastewater treatment plants.

Robert Morgan made a motion to cancel the Board's June 22, July 13 and July 27, 2017 Board Meetings; second by Jeff Danner and unanimously approved. See Motion 9 above.

Item Eight: Report of the Nominating Committee for Election of Officers

Yinka Ayankoya, Chair of the Nominating Committee, said that following the Board meeting on March 9, 2017, the Board agreed that as a practice for the next Election of Officers of the Board, every Board Member would be considered as eligible for election, except those who have indicated their wish not to serve as Officers. The Board also agreed, at least for those officers presently serving or to be elected tonight, to observe one-year term limits, so that none of the persons currently serving in as Chair, Vice Chair and Secretary, would be eligible for election to succeed himself or herself in his or her current Office.

Ms. Ayankoya stated that after receiving information from those who wished not to be considered for election as Officers of the Board, the Clerk to the Board had prepared ballots for each Office, with each ballot containing the names of all those eligible for election to Office this year, except those who indicated they did not wish to serve. Without objection, she announced that voting will proceed separately by paper ballot for each Office until a Board member is elected by receiving five or more votes; and, that in the event any round of voting ends in a tie, or if no person receives five votes in subsequent rounds of voting, balloting may be continued to the next Board meeting, and the present Officer will continue to serve until the new Officer is elected in the unfilled Office(s).

Board Members who indicated they did not wish to serve as an Officer(s) of the Board of Directors are Ruchir Vora and John Young.

The Board Clerk then distributed the ballots for election of the Board Chair; those considered to have been in nomination were Yinka Ayankoya, Jeff Danner, Barbara Foushee, Robert Morgan and Heather Payne.

Board Members cast their votes and Robert Morgan was unanimously elected as Chair of the Board of Directors.

The Board Clerk then distributed the ballots for election of Vice Chair of the Board of Directors; those considered to have been in nomination were Yinka Ayankoya, Barbara Foushee and Heather Payne.

Board Members cast their votes, and in the first round of voting, none of the candidates received five votes; and, Barbara Foushee having received the fewest votes, her name was dropped from the second ballot.

In the second round of voting for Vice Chair of the Board of Directors, those considered to have been in nomination were Yinka Ayankoya and Heather Payne. In the vote on the second ballot, the vote was tied four to four.

The Board determined to conduct a third ballot for the office of Vice Chair, and the nominations were again Yinka Ayankoya and Heather Payne. In the vote on the third ballot, the vote remained tied at four votes for each candidate.

Yinka Ayankoya then announced that she was withdrawing her name as candidate for Vice Chair of the Board of Directors. Thereupon, the Board elected Heather Payne as Vice Chair by a vote of seven to one, with Barbara Foushee opposed.

Jeff Danner withdrew his name as a candidate for Secretary of the Board of Directors, and Yinka Ayankoya was unanimously elected Secretary by acclamation.

Item Nine: Executive Director Will Summarize the Key Staff Action Items from the Work Session

Ed Kerwin said the following items for staff follow-up are:

- Provide the Board an updated report on the drinking water taste and odor progress via e-mail.
- Propose Board meeting date(s) to provide an update on risk assessment work for the water and wastewater treatment plants.
- Staff will issue a news release on newly adopted rates and fees for Fiscal Year 2018.

The work session was adjourned at 8:05 p.m.

Respectfully submitted by:

Andrea Orbich

Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

Resolution Awarding a Construction Contract for the Hillsborough Street Water Main Replacement Project

Whereas, there is a need to replace the 8" asbestos concrete water main along Hillsborough Street; and

Whereas, plans and specifications for the construction of this project have been prepared by Hazen and Sawyer; and

Whereas, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA on January 18, 2017, and five contractors were qualified to bid; and

Whereas, on May 2, 2017, the prequalified contractors were formally invited to submit construction bids for the project, and three bids were received on May 24, 2017; and

Whereas, Moffat Pipe, Inc. of Wake Forest, North Carolina has been determined to be the low responsive, responsible bidder for the project; and

Whereas, the Capital Improvements Program (CIP) contains sufficient funds for the expedited rehabilitation of the water main;

Now, Therefore, Be It Resolved:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Moffat Pipe, Inc., the low responsive, responsible bidder for the Hillsborough Street Water Main Replacement Project, in accordance with the approved plans and specifications, in the amount of $1,677,700.00, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 8th day of June, 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Resolution of the Board of Directors of Orange Water and Sewer Authority Approving Amendments to the Water and Sewer Management, Planning, and Boundary Agreement

Whereas, in 2001, Town of Carrboro, Town of Chapel Hill, Town of Hillsborough, Orange County, and OWASA adopted a Water and Sewer Management, Planning and Boundary Agreement ("Agreement"); and

Whereas, the Agreement was last amended on October 5, 2010; and

Whereas, Orange County is planning to invest approximately $1.6 million in sewer infrastructure to serve the southern portion of the Hillsborough Economic Development District; and

Whereas, additional lands are serviceable by gravity sewer lines but currently designated "Hillsborough Long-Term Interest Area" by the Agreement; and

Whereas, Orange County finds it is a wise use of public funds to increase the development potential within this designated area, located immediately south of the Hillsborough Economic Development District; and

Whereas, The Town of Carrboro has identified an area within the Town's Extraterritorial Jurisdiction (ETJ), and within OWASA's Long-Term Interest Area, which has extensively been served by public water and sewer systems prior to the execution of this Agreement and there being some nearby and contiguous parcels within the ETJ which do not yet receive such service; and

Whereas, the identified area is currently designated as "OWASA Long-Term Interest Area" in the Agreement; and

Whereas, amendments to the Agreement require the approval of all signatories to the Agreement:

Now Therefore, Be It Resolved:

1. That the Board of Directors hereby approves amendments to Appendix A of the Agreement to designate additional "Primary Service Area" as shown on the maps attached hereto.

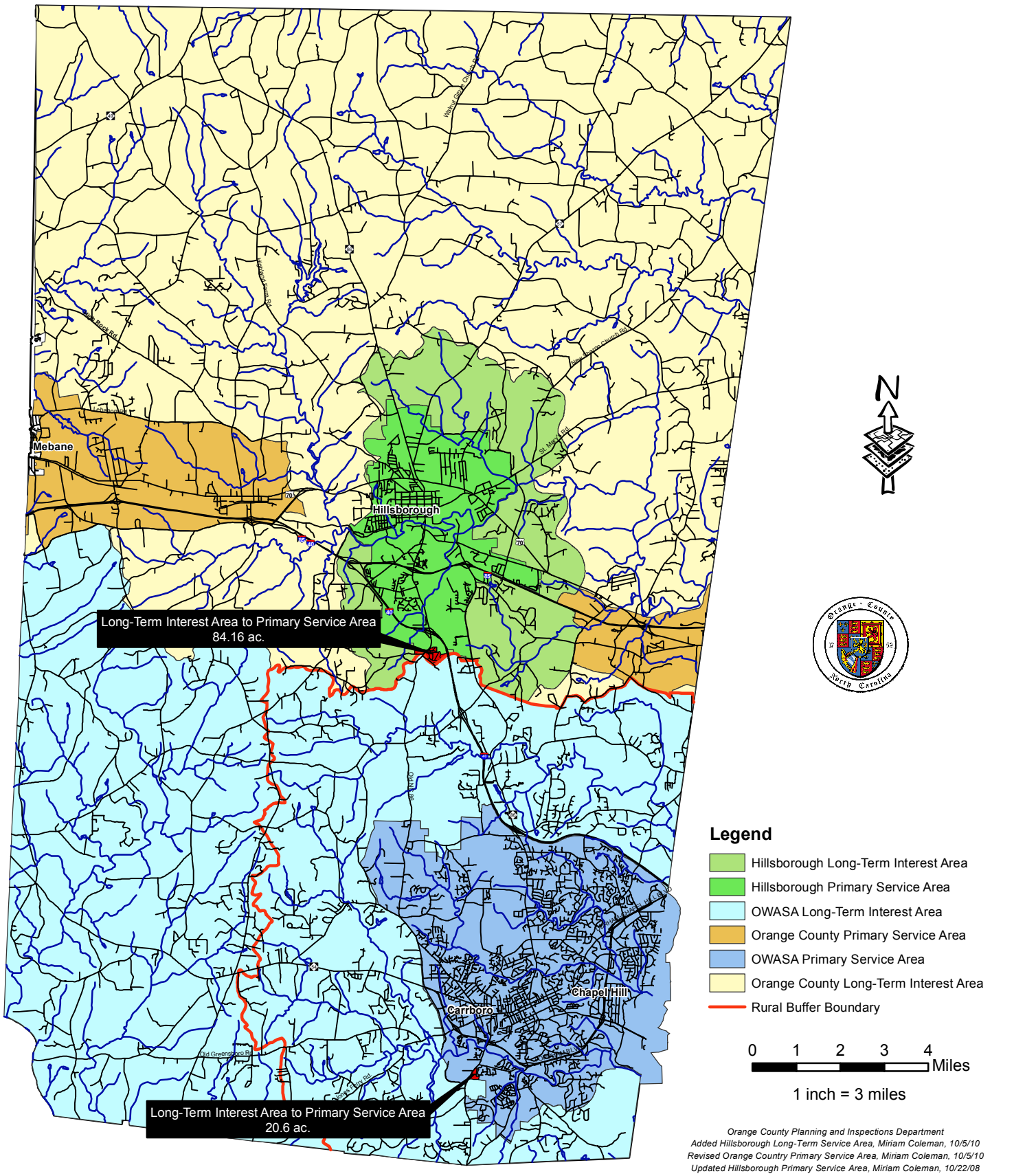
Adopted this the 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

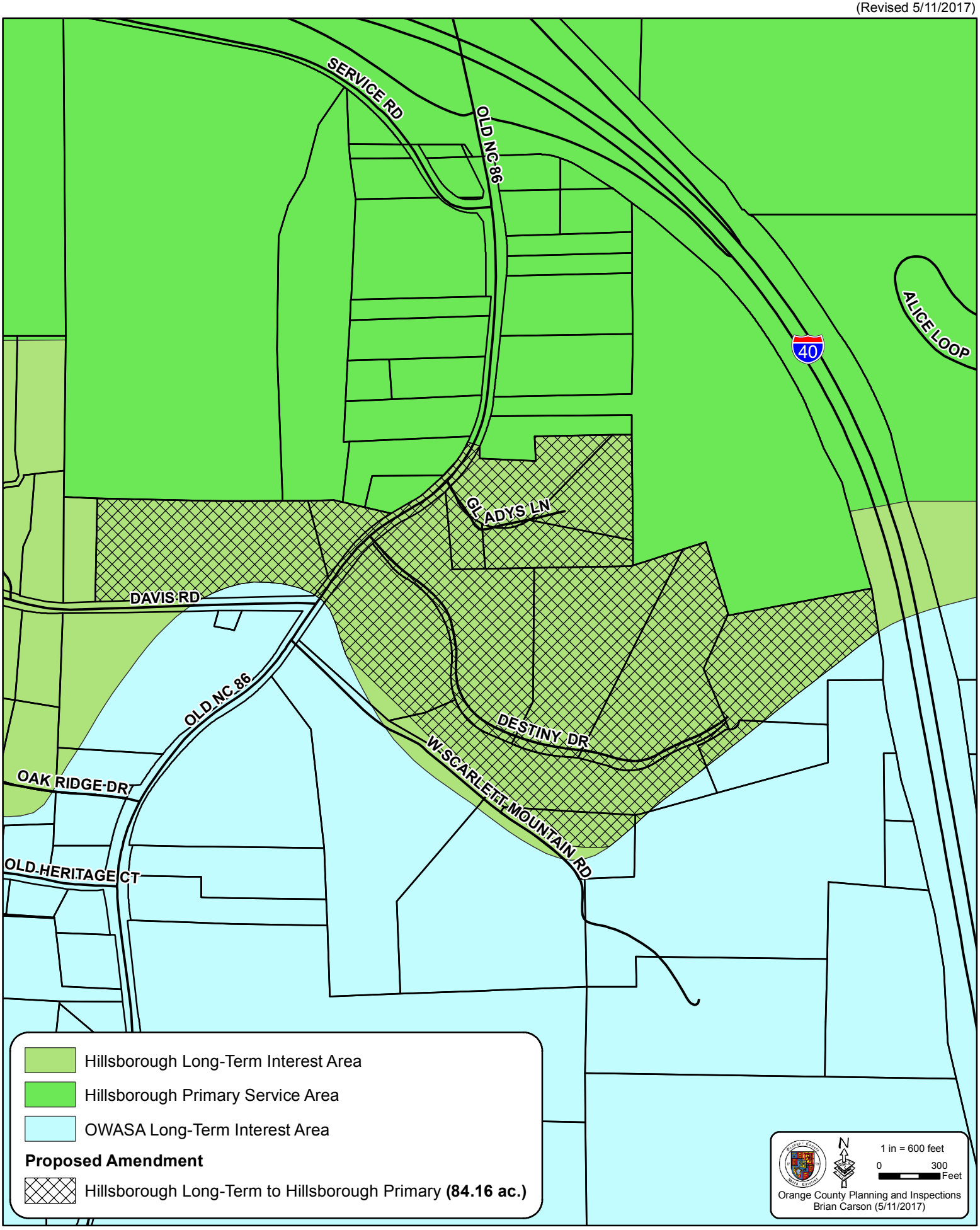
Appendix A
Water and Sewer Management Planning and Boundary Agreement



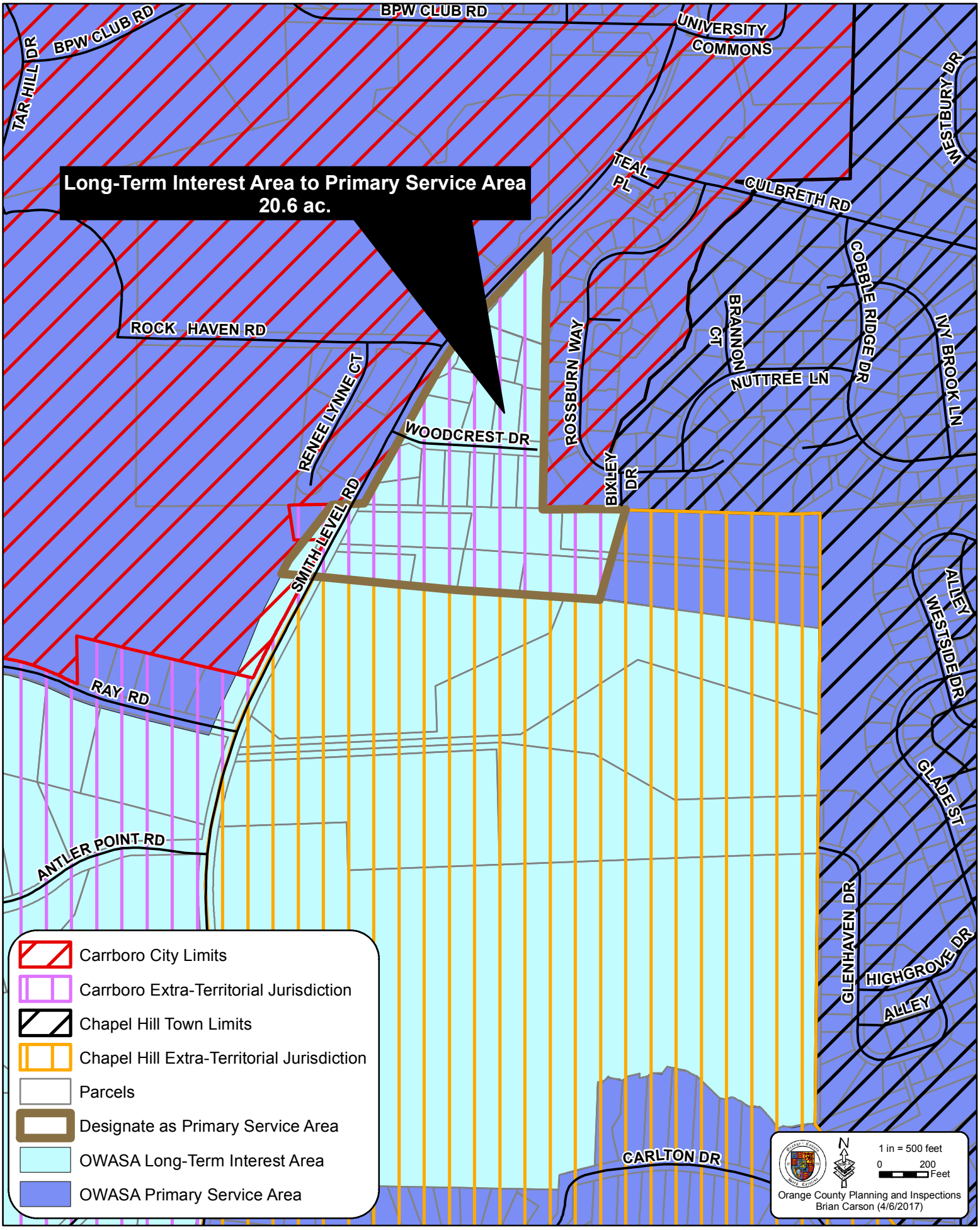
Orange County Planning and Inspections Department
Added Hillsborough Long-Term Service Area, Miriam Coleman, 10/5/10
Revised Orange Country Primary Service Area, Miriam Coleman, 10/5/10
Updated Hillsborough Primary Service Area, Miriam Coleman, 10/22/08
Updated Streets, Miriam Coleman, 2002
Revised Map to show retracted Chapel Hill Urban Service Boundary, Carrie Whitehill, 11/14/01
Original Map Prepared by Beth McFarland, 04/17/97

Proposed WASMPBA Amendments - Hillsborough EDD Area

(Revised 5/11/2017)



Proposed WASMPBA Amendments - Smith Level Road Area



Resolution Adopting the Schedule of Rates, Fees, And Charges Applicable To All Customers On and After October 1, 2017

Whereas, Orange Water and Sewer Authority has an adopted *Schedule of Rates, Fees, and Charges* as permitted under North Carolina General Statute 162A-9 and Section 7.04 of OWASA's Amended and Restated Bond Order (Bond Order); and

Whereas, General Statute 162A-6(9) and Section 7.04 of OWASA's Bond Order empower and direct the Authority to fix and revise from time to time and to collect rates, fees and other charges for the use of or for the services and facilities furnished by any system operated by the Authority; and

Whereas, a Public Hearing on the proposed Schedule of Rates, Fees, and Charges was held on May 25, 2017.

Now, Therefore, Be It Resolved:

1. That the attached *Schedule of Rates, Fees, and Charges* is hereby adopted by the Board of Directors of Orange Water and Sewer Authority.

2. That the rates shown on the attached schedule shall become effective for all service billings rendered on and after October 1, 2017.

3. That the Executive Director is authorized in his discretion to make findings and determinations as necessary in the application of the *Schedule of Rates Fees and Charges*, and otherwise as necessary to resolve customer inquiries or appeals arising thereunder, subject to the customer's right of appeal to the Board of Directors.

4. That the Executive Director is hereby directed to give proper notice as required by the Sale and Purchase Agreements and to take the necessary steps to implement the *Schedule of Rates, Fees, and Charges*.

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

B.M. Foushee

Barbara M. Foushee, Secretary

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

APPLICABLE TO ALL BILLINGS AND SERVICES ON AND AFTER OCTOBER 1, 2017

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Background and Authorization

In providing essential public water, sewer and reclaimed water services to Chapel Hill, Carrboro and portions of southern Orange County, Orange Water and Sewer Authority (OWASA) incurs substantial operating and capital expenses. As a community-owned non-profit public utility, OWASA has no authority to levy taxes, nor does it receive tax revenues from local governments for ongoing operations. OWASA finances its water, sewer and reclaimed water operations and extensive capital improvements almost entirely through customer paid fees and charges.

North Carolina G.S. 162A-9 requires that OWASA's "rates, fees and charges shall be fixed and revised so that the revenues of the Authority, together with any other available funds, will be sufficient at all times" to fund operating and maintenance expenses and to pay the principal and interest on all debt issued or assumed by OWASA. OWASA's rates are established under cost-of-service rate-making methodology. OWASA's customers pay for the cost of providing the services and/or facility capacity required to meet customer demand.

The OWASA Board of Directors has determined that the provisions in this Schedule of Rates, Fees, and Charges are necessary to adequately sustain OWASA's near-term and long-range utility operations. Revenues generated by these rate adjustments will provide OWASA with the financial resources necessary to: (1) fund operating costs; (2) adequately maintain existing water, sewer, and reclaimed water facilities; (3) fully comply with increasingly stringent environmental and public health standards; (4) meet debt service requirements; (5) create additional facility capacity to stay abreast of water, reclaimed water and sewer service demand in a growing, dynamic community; and (6) maintain adequate reserves.

The attached Schedule of Rates, Fees, and Charges will replace the schedule adopted on June 9, 2016, which became effective on October 1, 2016.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

SECTION I: WATER RATES AND FEES

MONTHLY WATER RATES

Water charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 25 days after the billing date. Monthly water rates consist of two components; a monthly service charge and a commodity (volume) charge.

Water Service Charge

This charge recovers costs related to certain direct and indirect customer service efforts, meter and lateral maintenance, and capital costs associated with supplying water to the customer's property. Applicable to all metered water accounts, independent of the quantity of water consumed, the monthly charge is based on meter size as follows:

Meter Size	Monthly Service Charge
5/8"	$14.70
3/4" Combination Fire and Domestic Service Meter	$15.20
1"	$29.53
1" Combination Fire and Domestic Service Meter	$30.03
1-1/2"	$63.86
2"	$96.38
3"	$198.22
4"	$323.58
6"	$704.66
8"	$1,002.06

Water Irrigation Service Charge

This charge is calculated to recover certain direct and indirect customer service, meter and lateral maintenance, and capital costs associated with supplying water for irrigation through irrigation-only meters. Applicable to all metered irrigation water accounts, regardless of the quantity of water consumed, the monthly charge is based on meter size as follows:

Meter Size	Monthly Service Charge
5/8"	$23.54
1"	$47.05
1-1/2"	$87.10
2"	$133.96
3"	$265.15
4"	$407.02
6"	$800.67
8"	$1,273.30

Monthly service charges for compound meter arrangements are based on the largest meter in the grouping. In addition to the applicable charge for the primary meter, existing OWASA-owned sub-meters

are billed according to the above schedule. OWASA-owned sub-meters are no longer available and no additional sub-meters will be installed. Meter readings and service charges for first and final bills are prorated based on days of service.

(NOTE: In accordance with State law, all new in-ground irrigation systems installed on lots platted and recorded in the office of the register of deeds in the county or counties in which the real property is located after July 1, 2009 and supplied by a public drinking water system are required to have a separate meter to measure the volume of water used through the irrigation system.)

Water Commodity Charge

This charge recovers the direct and indirect costs of water supply and treatment, water distribution, general administration and capital costs not recovered by the monthly service charge. This charge is applicable to all water accounts based on meter readings of water consumed. When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter.

When no meter reading is available due to an inoperative, damaged or inaccessible meter, consumption will be estimated based on prior usage at the location.

Individually Metered Residential Accounts Except Irrigation-only Accounts

Individually metered residential accounts will be billed under an increasing block rate structure designed to encourage efficient water use by applying increasing commodity charges (rate per thousand gallons) to incremental increases in water use.

	Volume of Use (Gallons)	**Commodity Rate per 1,000 Gallons**
Block 1	1,000 to 2,000	$2.63
Block 2	3,000 to 5,000	$6.39
Block 3	6,000 to 10,000	$7.83
Block 4	11,000 to 15,000	$10.94
Block 5	All use 16,000 and up	$19.79

Multi-family Master-metered Residential Accounts

Multi-family master-metered residential accounts have one (or more) OWASA meter that serves more than one residential dwelling. Examples include apartment complexes, duplexes and condominiums. Multi-family master-metered residential accounts shall be charged the following year-round commodity rate.

$5.67 per thousand gallons

Non-residential Accounts Except Irrigation Accounts

To achieve demand reduction during peak water use periods, a seasonal conservation rate structure will be applied to all non-residential accounts other than irrigation-only accounts. A reduced water commodity charge is in effect during lower demand months (October through April), and a higher commodity charge is in effect during high demand months (May through September).

Off-peak seasonal rate per 1,000 gallons (October through April)	$4.16
Peak seasonal rate per 1,000 gallons (May through September)	$7.91

Irrigation-only Accounts

To promote conservation of water used for irrigation and to achieve greater equity between rates for irrigation-only use and irrigation use through a domestic meter, irrigation-only accounts shall be charged the following year-round commodity rate.

$8.51 per thousand gallons

WATER COMMODITY SURCHARGES APPLICABLE UNDER WATER SHORTAGE DECLARATION STAGES

Conservation Water Commodity Charges Under Mandatory Water Use Restrictions

Water commodity charges will be temporarily increased during periods of declared Water Shortages and mandatory water use restrictions regardless of the time of year. These applicable surcharges are summarized in the following table.

Individually-Metered Residential						**Multi-family Master-metered Residential**	**Non-Residential and Irrigation-Only**
Block:	Res. Block 1	Res. Block 2	Res. Block 3	Res. Block 4	Res. Block 5		
Use Level: (gallons)	1,000 to 2,000	3,000 to 5,000	6,000 to 10,000	11,000 to 15,000	16,000 and up		
Stage 1	No surcharge	No surcharge	1.25 times normal Block 3 rate	1.5 times normal Block 4 rate	2 times normal Block 5 rate	1.15 times year-round rate	1.15 times seasonal and irrigation-only rate
Stage 2	No surcharge	1.25 times normal Block 2 rate	1.5 times normal Block 3 rate	2 times normal Block 4 rate	3 times normal Block 5 rate	1.25 times year-round rate	1.25 times seasonal and irrigation-only rate
Stage 3 and Emergency	No surcharge	1.5 times normal Block 2 rate	2 times normal Block 3 rate	3 times normal Block 4 rate	4 times normal Block 5 rate	1.5 times year-round rate	1.5 times seasonal and irrigation-only rate

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

INTERLOCAL WATER TRANSFER CHARGES

The purpose of this charge is to recover costs associated with the provision of supplemental water supply under contractual agreement with other water purveyors. The specific rates to be charged will be negotiated with the other party based upon specific conditions using the cost-of-service rate-making approach and approved by OWASA.

TEMPORARY HYDRANT METER CHARGE

Subject to availability, a Customer may obtain a temporary hydrant meter from OWASA for a period of up to 60 days. A customer may submit a written request to use the hydrant meter for one additional 60 day period but granting said request will be subject to availability and is at OWASA's sole discretion. Service from a fire hydrant is subject to interruption when the hydrant is needed for fire protection, compliance with water conservation standards, and other applicable law. For situations where temporary water service is needed for a period longer than 120 days, the user can purchase a metering device of a size, make and model specified by OWASA. A $320.00 service charge, payable in advance, shall be collected for setting and removing the meter. In addition, a security deposit shall be required in accordance with the following schedule:

Security Deposit
$1,000

Monthly billings for temporary hydrant meters consist of two charges: (1) a service charge for that size meter, and (2) the seasonal commodity charge, including surcharges where applicable, based on monthly readings of the meter. When the hydrant meter is returned, the security deposit shall be applied to the final bill plus any damages. The Customer is responsible for paying OWASA for damages that exceed the amount of the Security Deposit. Any credit balance will be refunded within thirty (30) days.

WATER AVAILABILITY FEE

Water availability fees are calculated to recover a portion of the capital costs of providing water system facility capacity. The availability fee is applicable to each new connection to a water main, regardless of who may have paid for the installation of the water main to which the connection is to be made. For the purpose of availability fees, customer accounts are divided into three categories: (1) Single-family Residential, (2) Multi-family Residential, Individually- metered; and (3) Non-residential. The Non-residential category includes master-metered multi-family customers and all commercial, University, and other institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

Property Description	Fee
5/8" Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<1300 square feet	$1,033
1300-1700 square feet	$1,207
1701-2400 square feet	$1,552
2401-3100 square feet	$2,470
3101-3800 square feet	$3,429

Property Description	Fee
>3800 square feet	$5,406
1” Meter, Single-Family Residential (all square footages)	$8,143
5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Multi-family Residential	$1,112
5/8” Meter or 3/4" Combination Fire and Domestic Service Meter, Nonresidential*	$3,255
1” Meter, Multi-Family Residential and Nonresidential*	$8,143
1-1/2” Meter, Multi-Family Residential and Nonresidential*	$16,275
2” Meter, Multi-Family Residential and Nonresidential*	$26,040
3” Meter, Multi-Family Residential and Nonresidential*	$52,081
4” Meter, Multi-Family Residential and Nonresidential*	$81,376
6” Meter, Multi-Family Residential and Nonresidential*	$162,752
8” Meter, Multi-Family Residential and Nonresidential*	$260,403

* Same fee for Irrigation-Only accounts.

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Water Availability Fees due if their project directly results in the permanent abandonment of previously existing water meters which were connected to residences, buildings or facilities connected to and having a documented demand on the OWASA water system.

If OWASA determines that a credit is due, the amount of the credit shall be based on the current Water Availability Fees that would apply to the size of the water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the Water Availability Fees that would otherwise apply to the development or re-development project. Availability Fee credits are not transferrable to any other project or property.

If an existing water meter is removed from service and/or is replaced with a smaller meter, OWASA will not issue any credit or refund to the customer for any previously paid Availability Fees.

WATER SERVICE AND METER INSTALLATION CHARGE

This charge is to recover costs of extending service from the OWASA distribution system to individual properties, and includes the installation of a service connection from the water main to the meter and the setting of the meter to serve the customer’s premises, subject to satisfactory easement or license being provided by the applicant. Where a suitable OWASA stub-out for service has been made and is available, the "meter-only" charge shall apply. Customer requested meter/water service relocations shall be performed on a time and materials basis. Complete new and/or additional water service installation and meter-only charges are as follows:

Service Description	Fee
Complete Water Service Installation, 5/8” meter	$3,650
Complete Water Service Installation, 3/4” Combination Fire and Domestic Service Meter	$3,860
Complete Water Service Installation, 1” meter	$3,770
Meter Only Installation, 5/8” meter	$270

Service Description	Fee
Meter Only Installation, 3/4" Combination Fire and Domestic Service Meter	$400
Meter Only Installation, 1" Combination Fire and Domestic Service Meter	$360
Meter Only Installation, 1" meter	$360
Meter Only Installation, 1-1/2" meter	$810
Meter Only Installation, 1-1/2" Combination Fire and Domestic Service Meter	$840
Meter Only Installation, 2" meter	$810
Meter Only Installation, 2" Combination Fire and Domestic Service Meter	$740
Remote Read Box with 5/8" Detector Meter	$420

Complete installation costs are determined on a time and materials basis for 1-1/2 inch and 2-inch meters. For 3-inch and larger meters, the applicant shall be responsible for providing a meter box or vault constructed to OWASA standards. All meters, regardless of size, shall be purchased from OWASA at cost plus 10%. A $110.00 delivery fee for 3-inch and larger meters shall also apply.

A remote read box and 5/8" detector meter shall be required on all private fire protection service connections. The remote read box shall be purchased from OWASA and installed by the applicant. OWASA shall install the 5/8" detector meter at the applicant's expense.

WATER MAIN TAPPING FEE

This charge is for making a tap into an OWASA water main. The tap fee shall be paid in advance of OWASA performing the work, with a minimum of 48 hours advance notice given to OWASA.

The applicant shall be responsible for opening the ditch, providing adequate working clearance at the point of tap, adequately shoring the trench sidewalls, dewatering and such other associated activities as may be needed to provide a suitable and safe condition for OWASA personnel to complete the tap. Additionally, the applicant shall be responsible for providing an appropriate size tapping sleeve and tapping valve, and a backhoe or similar device shall be available on-site for lowering the tapping unit into the ditch line. All permits, bonds and paving shall be the responsibility of the applicant. The charge shall be for time and equipment plus an allowance for overhead, but not less than $350.

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A re-inspection fee of $125.00 will be charged for each additional site visit required to determine if the water main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HYDRAULIC FIRE FLOW TESTING

This charge is calculated to recover the cost of hydrant 'fire flow' testing of the water distribution system. Test results provide data to developers and engineers to determine available flows and pressures in the systems they are designing for new developments.

$300 per test

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

SECTION II: SEWER RATES AND FEES

MONTHLY SEWER RATES

Sewer charges are billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 25 days after the billing date. Monthly sewer rates consist of two components: a monthly service charge and a sewer commodity (volume) charge.

Sewer Service Charge

This charge is calculated to recover the direct and indirect customer service, service and inspection maintenance, and capital costs associated with providing sewer service to the customer's property. Meter readings and service charges for first and final bills are prorated based on days of service**.** Applicable to all sewer accounts, regardless of whether or not there is a commodity charge, the monthly service charge is based on the size of the meter where sewer usage is measured as follows:

Meter Size	Monthly Service Charge
5/8" or 3/4" Combination Fire and Domestic Service	$12.00
1"	$20.61
1-1/2"	$35.53
2"	$53.72
3"	$101.58
4"	$155.28
6"	$284.70
8"	$485.82

The monthly sewer service charge shall apply to any meter(s) used to directly or indirectly measure the volume of wastewater discharged from a customer's premises, regardless of whether the water source to the customer is from OWASA's drinking water and/or reclaimed water system, or a non-OWASA water source including but not limited to harvested rainwater or groundwater.

Sewer Commodity Charge

This charge is calculated to recover the remaining direct and indirect costs of wastewater treatment and collection, maintenance, inspection, customer service and administration and sewer capital costs not recovered by the monthly service charge. When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter**.** This charge is applicable to all accounts receiving sewer service based on the water meter reading, sewer meter reading if applicable, or estimated volume of discharge as determined by OWASA.

The sewer commodity charge is applicable to all customers discharging wastewater into the OWASA sewer system, regardless of whether or not that discharge results from the customer's use of OWASA's drinking water or reclaimed water, or their use of a non-OWASA water source, including but not limited to harvested rainwater or groundwater.

$6.48 per thousand gallons

Individually-metered residential customers will not be charged for monthly sewer use in excess of 15,000 gallons.

INTERLOCAL WASTEWATER COLLECTION, TREATMENT AND DISPOSAL CHARGES

The purpose of this charge is to recover costs associated with the provision of wastewater collection, treatment and disposal services under contractual agreements with other wastewater service providers. The specific rates to be charged will be negotiated with the other party based upon specific conditions using the cost-of-service rate-making approach and approved by OWASA.

MONTHLY RATES FOR SEWER-ONLY ACCOUNTS

For sewer-only accounts where there is no OWASA meter for directly or indirectly measuring the volume of wastewater discharged by the customer, the monthly sewer service and commodity charges shall be fixed and be the total of:

(1) a monthly service charge which shall be determined by the water meter size which would be required to supply water service to the property,

plus

(2) a sewer commodity charge of $6.48 per 1,000 gallons times the estimated volume of wastewater expected to be discharged by the customer (using national engineering standards as the basis); provided however, that in no case shall the billable quantity be less than 4,000 gallons per month.

For special commercial and industrial customer classifications where the proportion of water consumed to wastewater discharged is extremely large, a metered sewer account may be approved. Metered sewer accounts must also pay the appropriate monthly sewer service charge based on the sewer meter size.

If a customer that has a standard metered water and sewer service (sewer gallons billed are based on the water gallons billed) also discharges wastewater resulting from the use of OWASA reclaimed water, harvested rainwater, groundwater, or sources other than OWASA drinking water, that customer shall be billed a monthly service charge and commodity charges calculated in accordance the *OWASA Rainwater Harvesting Systems Requirements and Charges Policy* for said additional discharge; provided, however, that the minimum threshold for which the charges shall apply is 3,000 gallons per month. For this purpose, such systems serving single-family residential customers are deemed to fall below this threshold, provided there is also a standard metered water and sewer service.

SEWER AVAILABILITY FEE

The purpose of this fee is to recover a portion of the capital costs of providing sewer system facility capacity. The availability fee is applicable to each new connection to a sewer main, regardless of who may have paid for the installation of the main to which the connection is to be made. For the purpose of the availability fee, customer accounts are divided into three categories: (1) Single-family Residential; (2) Multi-family Residential, Individually-metered; and (3) Non-residential. The Non-residential category includes master-metered Multi-family customers plus all other commercial, University, and other

institutional accounts. The use of these categories is justified by distinctive patterns of water and sewer consumption.

Property Description	Fee
5/8” Meter or 3/4" Combination Fire and Domestic Service, Single-family Residential:	
<1300 square feet	$2,829
1301-1700 square feet	$3,270
1701-2400 square feet	$3,384
2401-3100 square feet	$3,859
3101-3800 square feet	$4,256
>3800 square feet	$4,541
1” Meter, Single-Family Residential (all square footages)	$13,088
5/8” Meter or 3/4" Combination Fire and Domestic Service, Multi-family Residential	$3,064
1” Meter, Multi-Family Residential	$13,088
5/8” Meter or 3/4" Combination Fire and Domestic Service, Nonresidential	$6,553
1” Meter, Nonresidential	$16,392
1-1/2” Meter, Multi-family Residential and Nonresidential	$32,763
2” Meter, Multi-family Residential and Nonresidential	$52,421
3” Meter, Multi-family Residential and Nonresidential	$104,842
4” Meter, Multi-family Residential and Nonresidential	$163,816
6” Meter, Multi-family Residential and Nonresidential	$327,632
8” Meter, Multi-family Residential and Nonresidential	$524,211

In addition to the sewer availability fee, an excess sewer capacity fee of four percent (4%) of the applicable sewer availability fee shall be charged to recover the costs of excess sewer capacity installed in an area covered by an agreement between OWASA and a developer for credit payments to the constructing developer. This fee shall apply to residential and non-residential customers.

A person or party completing a development or re-development project may be eligible to request and receive a credit on the Sewer Availability Fees due if their project directly results in the permanent abandonment of previously existing water meters and sewer services which were connected to residences, buildings or facilities connected to and having a documented demand on the OWASA sanitary sewer system.

If OWASA determines that a credit is due, the amount of the credit shall be based on the current Sewer Availability Fees that would apply to the size water meters that are permanently abandoned as a direct result of the project. However, the credit due shall not exceed the amount of the Sewer Availability Fees that would otherwise apply to the development or re-development project. Availability Fee credits are not transferrable to any other project or property.

If an existing water or sewer meter upon which consumption is based is removed from service and/or is replaced with a smaller meter, OWASA will not issue any credit or refund to the customer for any previously paid Availability Fees.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

SEWER TAP CHARGE

This charge is for making a tap of the applicant's private sewer lateral into the main sewer line or sewer manhole of OWASA. The tap fee must be paid in advance of OWASA performing the work, with a minimum of 48 hours advance notice given to OWASA.

The applicant shall be responsible for opening the ditch, providing adequate working clearance at the point of tap, adequately shoring the trench sidewalls, dewatering and such other associated activities as may be needed to provide a suitable and safe condition for OWASA to connect the service lateral of the applicant into the facilities of OWASA. The minimum charge is based on a standard 4" service tap to the OWASA sewer line. All lines 6" in diameter and larger must be tapped into a manhole. All permits, bonds and pavement repairs are the responsibility of the applicant.

The charge shall be for time and equipment plus an allowance for overhead, but not less than $340.

The base fee noted above includes one (1) site visit by OWASA to determine if the applicant is ready for OWASA to perform the tap. A re-inspection fee of $125 will be charged for each additional site visit required to determine if the sewer main is accessible and all required material and safety measures are in place. The tap will not be performed until any applicable reinspection fees are paid in full.

HIGH STRENGTH WASTE SURCHARGE

The purpose of this charge is to recover operation and maintenance costs from customers whose wastewater discharge into the system is in excess of certain parameters for normal strength domestic wastewater as determined by OWASA. Based on local sampling and analysis, normal strength domestic wastewater has been determined to have the following pollutant characteristics.

Normal Strength Domestic Wastewater	
Carbonaceous Biochemical Oxygen Demand (CBOD)	205 mg/l
Suspended Solids (SS)	235 mg/l
Ammonia Nitrogen (NH_3-N)	25 mg/l
Phosphorus (P)	6.5 mg/l

High Strength Waste Surcharges shall apply at the following rates to all wastes exceeding the above concentrations:

Carbonaceous Biochemical Oxygen Demand (CBOD)	$0.43 per pound for all CBOD in excess of 205 mg/l
Suspended Solids (SS)	$0.52 per pound for all SS in excess of 235 mg/l
Ammonia Nitrogen (NH_3-N)	$3.04 per pound for all NH_3-N in excess of 25 mg/l
Phosphorus (P)	$12.26 per pound for all P excess of 6.5 mg/l

SECTION III: RECLAIMED WATER RATES AND CHARGES

MONTHLY RECLAIMED WATER RATES

Reclaimed water (RCW) charges will be billed monthly at approximately 30-day intervals. Charges are due upon receipt of the bill, and become delinquent 21 days after the original billing date. Monthly reclaimed water rates consist of two components: a monthly service charge and a commodity (volume) charge.

The University of North Carolina at Chapel Hill (UNC) funded the construction of the first phase of the reclaimed water system, and the methodology for determining reclaimed water charges applicable to UNC is stipulated by a contract between OWASA and UNC. For this reason, reclaimed water charges have been established for two major customer classes: UNC uses and non-UNC uses. As determined necessary by OWASA, and in accord with OWASA's contractual obligations to UNC, reclaimed water service to non-UNC customers may be temporarily interrupted to ensure the UNC's reclaimed water demand can be met from the facilities and capacity paid for by UNC.

Reclaimed Water Service Charge

This fixed monthly charge is calculated to recover direct and indirect costs including but not limited to customer service and billing, meter and lateral maintenance, general and administrative services, and fixed costs associated with supplying reclaimed water to the customer's property. The Reclaimed Water service charge is applicable to all metered reclaimed water accounts, independent of the quantity of reclaimed water consumed. Meter readings and service charges for first and final bills are prorated based on days of service.

UNC Reclaimed Water Use (covers all UNC reclaimed water uses served by the facilities paid for by UNC) $24,000 per month.

Non-UNC RCW Customers	
Meter Size	**Per Month**
5/8"	$8.37
1"	$16.74
1.5"	$30.96
2"	$47.62

Service charges for non-UNC reclaimed water meters larger than 2" will be determined on a case-by-case basis following an evaluation of the reclaimed water demands of the customer.

Reclaimed Water Commodity Charge

This charge is calculated to recover the direct costs for reclaimed water treatment and distribution and all other direct and indirect costs not recovered by fixed monthly service charges. This charge is applicable to all reclaimed water accounts based on meter readings of reclaimed water consumed.

When a billing period includes a change in commodity rates, the charges are prorated based on the ratio of days in the billing period at the old and new rates. Metered monthly consumption will be billed in thousand gallon increments rounded down to the nearest thousand gallons. Unbilled

consumption due to rounding will be carried forward and billed in the month when the next thousand gallon increment is registered by the meter.

Customer Type	Rate per 1,000 gallons
UNC Accounts	$0.60
Non-UNC Accounts	$2.18
Bulk (tanker) Sales	$0.00

RECLAIMED WATER SERVICE AVAILABILITY AND CONNECTION FEES

Reclaimed Water Availability Fees

The purpose of this fee is to recover the capital costs of providing reclaimed water system facility capacity and to fund future expansion of that capacity. Since the University (UNC) has paid to construct the reclaimed water system, UNC will not be required to pay a reclaimed water availability fee for UNC facilities that are connected to and can be served by capacity available in the reclaimed water facilities paid for by the UNC.

Reclaimed water availability fees are applicable to each non-UNC connection to the reclaimed water system, regardless of who may have paid for the installation of the main to which the connection is to be made. Reclaimed water availability fees for non-UNC customers are as follows:

Meter Size	Fee
5/8”	$1,229
1”	$3,073
1-1/2”	$6,146
2”	$9,833

Reclaimed water availability fees for connections to be served by meters larger than 2 inches shall be determined on a case-by-case basis following an evaluation of the reclaimed water demands of the customer.

Reclaimed Water Service Connection Fees

Reclaimed water service connection fees, including meter installation and meter fees, shall be the same as the fees applicable to potable water system service connections, as specified in Section I of this schedule.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

SECTION IV: MISCELLANEOUS CHARGES

SERVICE INITIATION FEE

The purpose of this charge is to defray the labor and administrative costs associated with the establishment of a water and/or sewer account. This includes establishing service and account records for billing and is applicable to all accounts.

$45 per event
$80 per event, outside of normal business hours of OWASA

RETURNED CHECK CHARGE

Checks or automatic bank drafts made payable to OWASA are accepted as payment on account subject to collection. When a check or bank draft is not honored for payment by the bank or other institution on which it is drawn, a Returned Check Charge will be applied to the customer's account as follows:

Returned Check:	$25
Dishonored Draft:	$25

The customer will be notified of the returned check charge and instructed to pay the amount due immediately. Failure to respond within the time allowed will result in disconnection of water service and an additional charge for reconnection. The customer may also be required to pay a security deposit or an additional security deposit.

CHARGE FOR DELINQUENT ACCOUNTS

The purpose of this charge is to offset the costs of special handling of delinquent accounts, which may include, but is not limited to, the disconnection and reconnection of service due to nonpayment of the customer's bill. This charge applies to all accounts scheduled for disconnection for nonpayment and is applicable on or after the specified disconnect date, regardless of whether the service was disconnected or not. Reconnection resulting from disconnection due to nonpayment will be made within 24 hours of receipt of full payment of the balance due plus the delinquency charge and applicable security deposit.

$45 per event, during OWASA’s normal business hours
$80 per event, outside OWASA’s normal business hours

CHARGE FOR TEMPORARY DISCONNECTION/SUBSEQUENT RECONNECTION AT CUSTOMER'S REQUEST

OWASA customers may request to have their service temporarily disconnected and subsequently reconnected. In emergency conditions, there will be no charge to the customer for this service. Additionally, no more than once in any twelve month period, a customer may request to have their service temporarily disconnected and subsequently reconnected at no charge for routine plumbing system maintenance. For requests to temporarily disconnect and subsequently reconnect service in any situation other than those listed above, the charges listed below will apply.

The purpose of this charge is to recover the cost to temporarily disconnect and subsequently reconnect water service at the request of a customer. In situations where charges apply, the charge may be waived if the customer provides documentation that a master cutoff valve has been installed within thirty (30) days of the date of the temporary service disconnection.

$45 per event, during OWASA's normal business hours
$80 per event, outside OWASA's normal business hours

LATE PAYMENT FEE

This fee is designed to recover a portion of the cost of delinquent payment collection efforts that arise prior to service termination and are not recovered by charges for reconnection of delinquent accounts, and to encourage customers to make timely payments, thereby reducing the overall cost of a delinquent account to the customer base. The late payment fee applies when a customer's account is delinquent as defined above.

Late Payment Fee:	For past due balances of $10.00 or more, $2.40 plus 0.42% a month (5% APR) of the outstanding balance.

SECURITY DEPOSITS

OWASA requires security deposits from customers to ensure payment of the final bill. To offset administrative costs in handling these monies, no interest is paid on security deposits.

Security deposits shall be required on all accounts other than those of (1) residential customers, whether detached or attached units, who have a satisfactory credit history as determined by a credit check, and (2) local, State and Federal governments or agencies thereof. Security deposits shall be required for accounts other than those in (1) and (2) above and shall be $50 or $100 depending on credit worthiness for residential customers. All security deposits must be paid at the time application for service is made and in advance of service initiation.

Any residential customer whose service has been disconnected for non-payment of billing charges twice within a six month period and for whom OWASA does not have a security deposit will be required to pay a $50 or $100 deposit depending on credit worthiness prior to reconnection of service.

Non-residential security deposits are required based on credit worthiness and will be computed as one or two times the average monthly bill of the previous customer at the same location over the past calendar year. If there is no previous customer at the service location, the security deposit will be determined by OWASA based on the best information available, such as OWASA's experience with similar types, sizes, etc. of businesses.

Repeated disconnections will require additional security deposits until the customer has accumulated a security deposit balance, which will cover an average of three months' billing charges.

Security deposits may be refunded upon written request after the customer has established a satisfactory payment history for twelve (12) consecutive months. Otherwise, security deposits will be applied to the final bill when a customer's account is terminated with any remaining balance refunded to the customer.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

BULK WASTEWATER CHARGES

Normal Domestic Septage

The purpose of these charges is to recover the costs associated with the service rendered by OWASA to those customers who discharge normal domestic septic tank wastes into the wastewater treatment facilities of OWASA. Applicable to those customers who have an account established at OWASA's Customer Service Office, charges for handling normal domestic septage will be billed to the customer on a monthly basis. The monthly bill will include two components: (1) an administrative charge for special services required to receive this type waste and rendering the monthly bill; and (2) a charge for the treatment of the septage as determined by OWASA. This charge is calculated as follows:

Administrative Charge	$30/ trip, plus
Volume Charge and High Strength Surcharge	$140/ thousand gallons

Other High Strength Waste

Other wastes may be discharged to OWASA's septage facilities only with prior approval by OWASA and upon OWASA's direct inspection of the actual discharge. The costs associated with these services will be as follows:

NH_3-N = Ammonia Nitrogen
CBOD = Carbonaceous Biochemical Oxygen Demand
TSS = Total Suspended Solids
P = Phosphorus

Administrative Charge of $30 / trip, plus Volume and High Strength Surcharge calculated as follows:

A + B + C + D + E = Calculated Dollars per Thousand Gallons, where:
A = pounds of NH_3-N/thousand gallons in waste x $3.04/pound
B = pounds of CBOD/thousand gallons in waste x $0.43/pound
C = pounds of TSS/thousand gallons in waste x $0.52/pound
D = $6.48/per 1,000 gallons Sewer Commodity Charge
E = pounds of P/thousand gallons in waste x $12.26/pound
Waste concentrations shall be determined by OWASA

TANK SALES OR BULK WATER SALES

The purpose of this charge is to recover the labor and administrative costs associated with the supply of bulk quantities of water to tank trucks or trailers from a metering point on the premises of OWASA. Applicable to all tank or bulk water sales, the following charges apply for each loading.

Administrative Charge	$25 per trip, plus
Commodity Charge	$6.02 per thousand gallons or portion thereof

Bulk sales are subject to administrative regulations and controls for protection of the wastewater system and efficient operation. Water tank trucks or trailers are only authorized to withdraw water from locations approved by OWASA and for which adequate usage monitoring measures are

provided. Charges for bulk sales are not subject to seasonal adjustments.

DIRECT SALES OF SUPPLIES

Applicable to the direct sale of supplies from inventory to municipalities or contractors, the supplies will be billed at the most recent cost plus a handling charge of 10%.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

BOAT RENTAL AND LAKE USE FEES

Fees are applicable to all persons using row boats and canoes on University Lake and Cane Creek Reservoir during scheduled hours of operation as established by OWASA. Boat rental and lake user charges are:

OWASA Customers and Orange County Residents	
Charge for each flat-bottomed boat or canoe rental	$4.50 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	$15.00 for one-half day
Kayak rental	$15.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	$3.50 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 Years Old	$2.00 per person
Lake Use Fee, 12-64 Years	$4.50 per person
Lake Use Fee, 65 Years and over	No charge

Individual Season Pass	
Boat or canoe rental	$82.00 per person. Each additional person pays appropriate lake use fee.
Lake Use Pass – Adult	$46.00
Boat with trolling motor rental	$163.00 per person. Each additional person pays appropriate lake use fee.

Group Season Pass	
Boat or canoe rental	$163.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.
Boat with trolling motor rental	$245.00 (maximum of 3 people per pass.) Each additional person pays appropriate lake use fee.

For visitors who are not OWASA Customers or Orange County Residents	
Charge for each flat-bottomed boat or canoe rental	$8.00 for one-half day plus the applicable lake use fee for each person
Trolling motor rental	$22.00 for one-half day
Kayak rental	$20.00 for one-half day plus the applicable lake use fee for each person
Private Boat Launching Fee	$7.00 per boat plus the applicable lake use fee for each person
Lake Use Fee, Under 12 years old	$2.50 per person
Lake Use Fee, 12-64 Years	$5.50 per person
Lake Use Fee, 65 Years and over	$2.50 per person
UNC Men’s Crew Club and Women’s Rowing Team	By agreement between UNC-Chapel Hill and OWASA

FIELD TEST OF 5/8" METER OR 3/4" COMBINATION FIRE AND DOMESTIC SERVICE METER

Upon a customer's written request, OWASA will conduct a special field test of the customer's 5/8" water meter or 3/4" combination fire and domestic service meter. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged $100 for the meter test.

SHOP TESTING OF METER

Upon a customer's written request, OWASA will conduct a special shop test of water meters that are larger than 3/4 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged $160 for the shop meter test.

FIELD TEST OF LARGE METERS

Upon a customer's written request, OWASA will conduct a special field test of water meters that are larger than 5/8 inches. There will be no charge for testing meters (1) which have not been tested during the past five years, or (2) which are found to be over-registering. Over-registering meters will be replaced by OWASA at no charge to the customer.

If, however, the meter has been tested within the past five years and the results of the meter test indicate proper or under-registering, the customer will be charged a meter test fee based on the actual time and equipment required to complete the field test. This charge shall not be less than $260.

REINSPECTION FEE

OWASA will initially inspect grease traps, cross connections and water and sewer taps at no cost to the customer. Should a subsequent reinspection be required for any of these fixtures, a $125 fee will apply to each reinspection.

PLAN REVIEW AND CONSTRUCTION OBSERVATION FEES

The purpose of this charge is to recover the operating cost for providing review of construction plans for the extension of water and sewer facilities. The charge also recovers the operating cost for providing field observation, water sampling, laboratory testing, video inspection, pressure testing, etc. associated with the installation of these facilities. The plan review and construction observation fees are applicable to all extensions of the public water and/or sewer system regardless of the party which may be undertaking the improvements. The fees will be applied separately to water main and sewer main extensions, but in no case shall the fee be less than $100.

ORANGE WATER AND SEWER AUTHORITY
SCHEDULE OF RATES, FEES, AND CHARGES

Service	Water	Sewer
Plan Review	$3.63/lf	$3.63/lf
Construction Observation	$3.69/lf	$3.69/lf

CHARGES FOR MISCELLANEOUS SERVICES

Charges for miscellaneous services provided by OWASA shall be on a time and materials basis and include out-of-pocket expenses, cost of materials and services supplied by third parties, and overhead. Typical applications would be for repair of damages to water and sewer lines by outside parties, relocation of mains, services and meters, special services for billing information, expenses related to spill containment responses, etc.

TRANSFER OF CHARGES

Any unpaid balance from past due charges for water and/or sewer services of terminated accounts or Charges for Miscellaneous Services will be transferred to any available active account(s) through which the customer is receiving services. The payment status of the active account through which the customer is receiving service will be determined by the payment status of transferred accounts.

OWASA may temporarily withhold service from a customer, or refuse service to a customer when such a customer (including but not limited to individuals, corporations, or partnerships), owes OWASA any past due balance.

Accounts or portions of accounts, including charges for material or damaged property that are disputed and delinquent fees and delinquent assessment charges, may be submitted to the courts by the Executive Director, upon approval by General Counsel, for collection if such amounts do not exceed $1,500. For amounts exceeding $1,500, approval of the Board of Directors shall also be required prior to filing an action for collection.

Resolution Adopting the Annual Budget For
Orange Water and Sewer Authority for the Fiscal Year
July 1, 2017 Through June 30, 2018

Whereas, Section 7.05 of the Bond Order and North Carolina G.S. Chapter 159 require that on or before the first day of July in each fiscal year the Authority will adopt a Budget for the ensuing fiscal year;

Whereas, such budget is to include estimates of revenues of the water, sewer and reclaimed water systems, current operations expenses, interest income, debt service costs, and disbursements from the general fund for capital improvements and equipment purchases; and

Whereas, during the preparation of the Fiscal Year (FY) 2018 budget, and after holding public hearings on May 25, 2017 concerning the FY 2018 budget, the Board of Directors determined that it is not necessary to increase the rates OWASA's charges for monthly water, sewer, and reclaimed services in order to provide sufficient revenues to fund ongoing operations, debt service and the Capital Improvements Program. Certain other fees have been adjusted based on changes in the costs of providing the services.

Now, Therefore, Be It Resolved:

1. That pursuant to the provisions of North Carolina G.S. Chapter 159-13 the attached pages marked 2 through 6 be, and they hereby are, adopted as the official budget of Orange Water and Sewer Authority of the Fiscal Year beginning July 1, 2017 through June 30, 2018.

2. That the appropriations for departments, functions, and projects as shown in the attached budget for the respective purposes and in the respective amounts therein specified are hereby made.

3. That the Executive Director shall administer the budget, and is hereby authorized to expend the funds for the purposes set forth therein.

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

ORANGE WATER AND SEWER AUTHORITY
STATEMENT OF INCOME, EXPENSE AND DEBT SERVICE
(OPERATING)

		FY 2018 Annual Budget
Operating Revenue		
Water	$17,824,170	
Sewer	16,734,273	
Reclaimed Water	450,060	
Service Initiation Fee	165,650	
Other	963,227	
Refunds and Adjustments	(246,088)	
Total Operating Revenue		$35,891,292
Operating Expense		
General and Administrative	7,177,861	
Operations	14,742,616	
Total Operating Expense		21,920,477
Net Operating Income		13,970,815
Non-operating Revenue		
Customer Fees		1,416,657
Interest		38,441
Total Net Income		$15,425,913
Debt Service		
Existing		$6,949,537
New		0
Total Debt Service		6,949,537
Net Income Less Debt Service		$8,476,376

ORANGE WATER AND SEWER AUTHORITY
STATEMENT OF INCOME AND EXPENSE
(CAPITAL/NON-OPERATING)

		FY 2018 Annual Budget
General Fund		
Resources		
Transfer From Revenue	$8,476,376	
Annual Income Available for Capital		$8,476,376
Transfer from Construction Fund (Bond Proceeds)		0
Total Available for Capital		8,476,376
Capital Expenditures		
Project ordinances		
General Fund Contribution	15,085,000	
Funded by Bond Proceeds	0	
Total Project Resolutions		15,085,000
Capital Equipment		1,231,100
Total Capital Outlay		16,316,100
Annual General Fund Balance		(7,839,624)
General Fund Beginning Balance		26,661,000
General Fund Ending Balance		18,821,276
Project Funding	1,888,276	
Reserves		
Rate/Revenue Stabilization	1,728,000	
Capital Improvements	3,600,000	
Working Capital	11,605,000	18,821,276
Unallocated General Fund Balance		$0

REVENUE FUND

	Water	Sewer	Total
Fund Balance July 1, 2017			$0
Receipts			
Operating Revenue			
Customer Billings	$17,824,170	$16,734,273	34,558,443
Reclaimed Water	450,060	-	450,060
Service Initiation Fee	82,825	82,825	165,650
Other	481,614	481,613	963,227
Refunds and Adjustments	(123,044)	(123,044)	(246,088)
Total Operating Revenue	18,715,625	17,175,667	35,891,292
Non-operating Revenue			
Customer Fees	615,387	801,270	1,416,657
Interest Income	19,221	19,220	38,441
Total Non-operating Revenue	634,608	820,490	1,455,098
Total Receipts	19,350,233	17,996,157	37,346,390
Expenditures			
Current Expense	(11,305,900)	(10,614,577)	(21,920,477)
Debt Service	(4,517,199)	(2,432,338)	(6,949,537)
Total Expenditures	(15,823,099)	(13,046,915)	(28,870,014)
Net Revenue			8,476,376
To General Fund			(8,476,376)
Fund Balance June 30, 2018			0
Change in Available Balance			$0

BOND SERVICE FUND

Fund Balance July 1, 2017		$0
Receipts		
Transfers from Revenue Fund	$6,949,537	
Interest		
Total Receipts		6,949,537
Expenditures		
Debt Service	6,949,537	
Total Expenditures		(6,949,537)
Fund Balance June 30, 2018		0
Change in Available Balance		$0

GENERAL FUND

Fund Balance July 1, 2017		$26,661,000
Receipts		
Transfer From Revenue fund	8,476,376	
Transfer From Construction Fund (Loan Proceeds)	0	
Interest	0	
Assessments	0	
Grants and contributions	0	
Total Receipts		8,476,376
Total Balance Before Expenditures		35,137,376
Expenditures		
Capital Equipment/Leases	1,231,100	
Project Resolutions	15,085,000	
Transfer to Revenue Fund	0	
Total Expenditures		(16,316,100)
Fund Balance June 30, 2017		$18,821,276
Allocation of Fund Balance June 30, 2017		
Project Funding	1,888,276	
Capital Reserves	16,933,000	
Total Allocation		$18,821,276
Unallocated General Fund Balance June 30, 2017		0
Change in Available Balance		($7,839,724)

Resolution Approving the Capital Improvements Program and Budget For Fiscal Years 2018-2022

Whereas, a Five-Year Capital Improvements Program and budget enables Orange Water and Sewer Authority to identify, assess, and project the water and sewer systems' capital projects in an orderly, coordinated, and fiscally sound manner, and to plan for the replacement and repair of existing facilities; and

Whereas, the Capital Improvements Program and budget for Fiscal Years 2018-2022 have been developed by the staff, reviewed by the Board of Directors, and revisions incorporated therein; and

Whereas, a Public Hearing on the Capital Improvements Program was held on May 25, 2017;

Now, Therefore, Be It Resolved:

1. The Board of Directors of Orange Water and Sewer Authority approves the Capital Improvements Program and budget for Fiscal Years 2018-2022 as required by the Financial Management Policy.

2. That the Executive Director be, and is hereby, authorized to administer the planning, studies, design, and financing, and make recommendations to the Board of Directors for award of contracts, as appropriate, for the projects in the Capital Improvements Budget.

3. The Five-Year Capital Improvements Program Budget for Fiscal years 2018-2022 is as follows:

Fiscal Year	Amount
2018	$15,085,000
2019	23,456,000
2020	16,897,000
2021	17,674,000
2022	23,174,000
Total	$96,286,000

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Capital Project Resolution for
Fiscal Year 2018 Infrastructure Improvements

Whereas, present infrastructure must be maintained and additional infrastructure developed to meet future needs; and

Whereas, Orange Water and Sewer Authority (OWASA) has determined that certain additional infrastructure improvements are needed, including improvements to the water supply system; water treatment and distribution system; wastewater collection, treatment and disposal system; reclaimed water system; and support services facilities; and

Whereas, adequate funds will be available for the completion of these improvements;

Now, Therefore, Be It Resolved:

1. A project fund of $15,085,000 is hereby established and expenditures therefrom authorized for the following improvements:

	Expenditures
Water Supply Improvements:	
Jordan Lake Raw Water Supply Allocation	$5,000
Stone Quarry Reservoir Development	15,000
Cane Creek and University Lake Sodium Permanganate Feed Systems	20,000
University Lake Pump Station Improvements	65,000
Subtotal	105,000
Water Treatment and Distribution Improvements:	
Water Facility Security Upgrades	110,000
Water Treatment Plant Generator Building Louvers Replacement	40,000
Water Treatment Plant Switchgear Upgrade	60,000
Water Treatment Plant and Adjacent Facilities Paving	25,000
Water Treatment Plant Concrete Condition Assessment	75,000
Water Treatment Plant Sedimentation Basin Rehabilitation	102,000
Water Treatment Plant Filter Media and Backwash Improvements	880,000
Water Treatment Plant Flash Mix Basins Isolation Valve Replacement	25,000
Water Treatment Plant Belt Press Rehabilitation	65,000
Water Treatment Plant Risk Assessment	75,000
Water Treatment Plant Fluoride System Improvements	150,000
Lake Ellen Water Main Replacement	160,000
Brandywine Road Water Main Rehabilitation	739,000
Dobbin Drive Water Main Condition Assessment	50,000
Water Distribution System Hydraulic Model	40,000
Advanced Metering Infrastructure System	1,500,000
Galvanized Water Main Replacements	96,000
Hillsborough Street Water Main Replacement	1,700,000
High Priority Water Main Replacement	107,000
Cameron Avenue Water Main Design Alternatives Assessment	25,000
Subtotal	6,024,000
Wastewater Collection, Treatment and Disposal Improvements:	
Rogers Road Gravity Sanitary Sewer Extension	357,000
Rogers Road Gravity Sanitary Sewer Extension Reimbursement	(357,000)

Wastewater Treatment Plant (WWTP) Main Potable Water Line – Backflow Preventer Installation	25,000
Sanitary Sewer Rehabilitation	1,249,000
Sanitary Sewer Condition Assessment	41,000
Bolinwood Drive Interceptor	150,000
Little Creek Interceptor	552,000
Creek Crossing Access Improvements	20,000
Eastowne, Eubanks, Meadowmont 1 Pump Station Rehabilitation	790,000
Rogerson Drive Pump Station Rehabilitation	925,000
Knolls Pump Station Rehabilitation	55,000
Comprehensive Coatings Program	200,000
WWTP Digesters #1 & #2 Rehabilitation	25,000
WWTP Intermediate Pump Stations (IPS) Rehabilitation/Replacement	472,000
Wastewater Pump Stations Rehabilitation and Replacement	90,000
WWTP Non-Drinking Water Pump Replacements	120,000
WWTP Secondary Clarifier Rehabilitation and Chlorine Chamber Demo	150,000
Dobbins Drive Interceptor	55,000
Sanitary Sewer Hydraulic Model	151,000
Rogerson Drive Force Main Redundancy Evaluation	45,000
WWTP Solids Thickening Improvements	300,000
WWTP SCADA System Upgrade	150,000
WWTP Warehouse Improvements	25,000
Water and Wastewater Facilities Building Envelope Rehabilitation	236,000
Kenan Stadium Interceptor Replacement	575,000
Rogerson Drive Force Main Emergency Repair and Rehabilitation	1,250,000
WWTP Digester/Fermenter Rehabilitation and Mixing and Pumping Improvements	40,000
Primary Sludge Pump Station Rehabilitation and Old Lab Building Demo	50,000
WWTP Rehabilitation and Replacement of Chemical Building and Piping Improvements	125,000
WWTP Risk Assessment	75,000
WWTP Pavement Improvements	20,000
Subtotal	7,961,000
Support Services Facilities Improvements:	
Administration Building HVAC System Upgrade	900,000
Administration Building LED Lighting Retrofit	95,000
Subtotal	995,000
Total Expenditures	$15,085,000
Revenues	
Transfers from the General Fund, Bond or Loan Proceeds, and Grants	$15,085,000

2. That supplementary funds will be appropriated in future years for completion of the projects.

3. That this Resolution shall take effect upon its passage.

4. That this Resolution shall be entered in the Minutes of OWASA and within five (5) days after its adoption copies thereof shall be filed with the Finance Officer, the Budget Officer, and the Clerk to the Board of Directors as required by General Statute 159-13.2(d).

Adopted this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Resolution Honoring the Service of Terri Buckner to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Whereas, on August 23, 2011, the Orange County Board of County Commissioners appointed Terri Buckner to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Ms. Buckner served on the OWASA Board from August 25, 2011, to June 30, 2017, in addition to having served on the OWASA Board from June 2005 to September 2006 as a Carrboro appointee; and

Whereas, Ms. Buckner served on the Board's Community Engagement, Finance, Human Resources and Natural Resources and Technical Services Committees during her service and Chaired the Natural Resources and Technical Services Committee from July 2012 to September 2015; and

Whereas, Ms. Buckner brought to OWASA extraordinary energy and passion voicing the concerns and desires of the community as well as effectively representing OWASA employees; and

Whereas, Ms. Buckner gave freely of her time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern:

Now, Therefore, Be It Resolved by the Orange Water and Sewer Authority Board of Directors:

1. That the Board of Directors expresses to Terri Buckner the Board's sincere appreciation and deep gratitude for her outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for her much happiness in the years ahead.

2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Orange County Board of County Commissioners.

Adopted and presented this 8th day of June, 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary

Resolution Honoring the Service of Dr. David H. Moreau to the Chapel Hill-Carrboro-Orange County Community as a Member of the Orange Water and Sewer Authority's Board of Directors

Whereas, on June 23, 2014, the Chapel Hill Town Council most recently appointed Dr. David Moreau to serve on the Board of Directors of the Orange Water and Sewer Authority (OWASA); and

Whereas, Dr. Moreau has served on the OWASA Board for a total of more than 13 years, from April 1978 to June 1985, and July 1990 to June 1993, including three terms as Chair of the Board from October 1980 to September 1981, and September 1983 to June 1985; and

Whereas, Dr. Moreau served on the Finance and Natural Resources and Technical Services Committees during his service and Chaired the Natural Resources and Technical Services Committee from September 2015 to July 2016; and

Whereas, Dr. Moreau gave freely of his time, energy, and talent in serving the community and OWASA customers with unselfish dedication and compassionate concern; and

Whereas, Dr. Moreau brought to OWASA an extraordinary wealth of training, experience and expertise pertinent to water resource issues on the local, state and national levels; and

Whereas, Dr. Moreau was especially effective in leading OWASA's application for permits necessary to construct the Cane Creek Reservoir, our community's primary water supply; and

Whereas, Dr. Moreau's outstanding, extensive record of public service has included chairing the North Carolina Environmental Management Commission, directing the University of North Carolina's Water Resources Research Institute, chairing the University of North Carolina at Chapel Hill's Department of City and Regional Planning and Curriculum for the Environment and Ecology, and serving on the National Research Council's Board of Water Science and Technology in addition to numerous other national and international roles:

Now, Therefore, Be It Resolved by the Orange Water and Sewer Authority Board of Directors:

1. That the Board of Directors expresses to Dr. David H. Moreau the Board's sincere appreciation and deep gratitude for his outstanding service, leadership and stewardship as a Member of the OWASA Board; and the Board wishes for him much happiness in the years ahead.

2. That this resolution be recorded in the minutes of the OWASA Board of Directors and be part of the permanent records of OWASA, and that a copy of this resolution be transmitted to the Chapel Hill Town Council.

Adopted and presented this 8th day of June 2017.

John A. Young, Chair

ATTEST:

Barbara M. Foushee, Secretary